



# City-Wide Housing Policy Development

*Public Meeting #5 – 06/04/18*

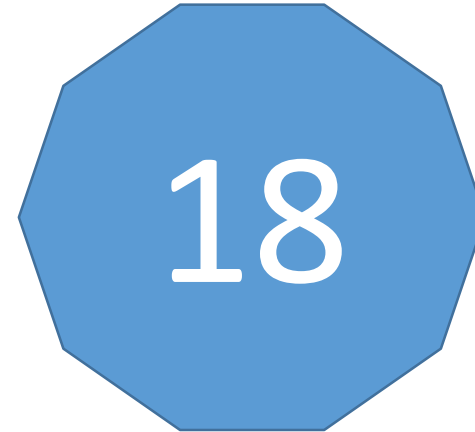


# City Council Direction



“Directing the City Manager to provide information on the overall state of housing policy at the federal, state, and local level and based on information develop a local 5-year policy”

Due August 2018



Initial  
Policy  
Questions



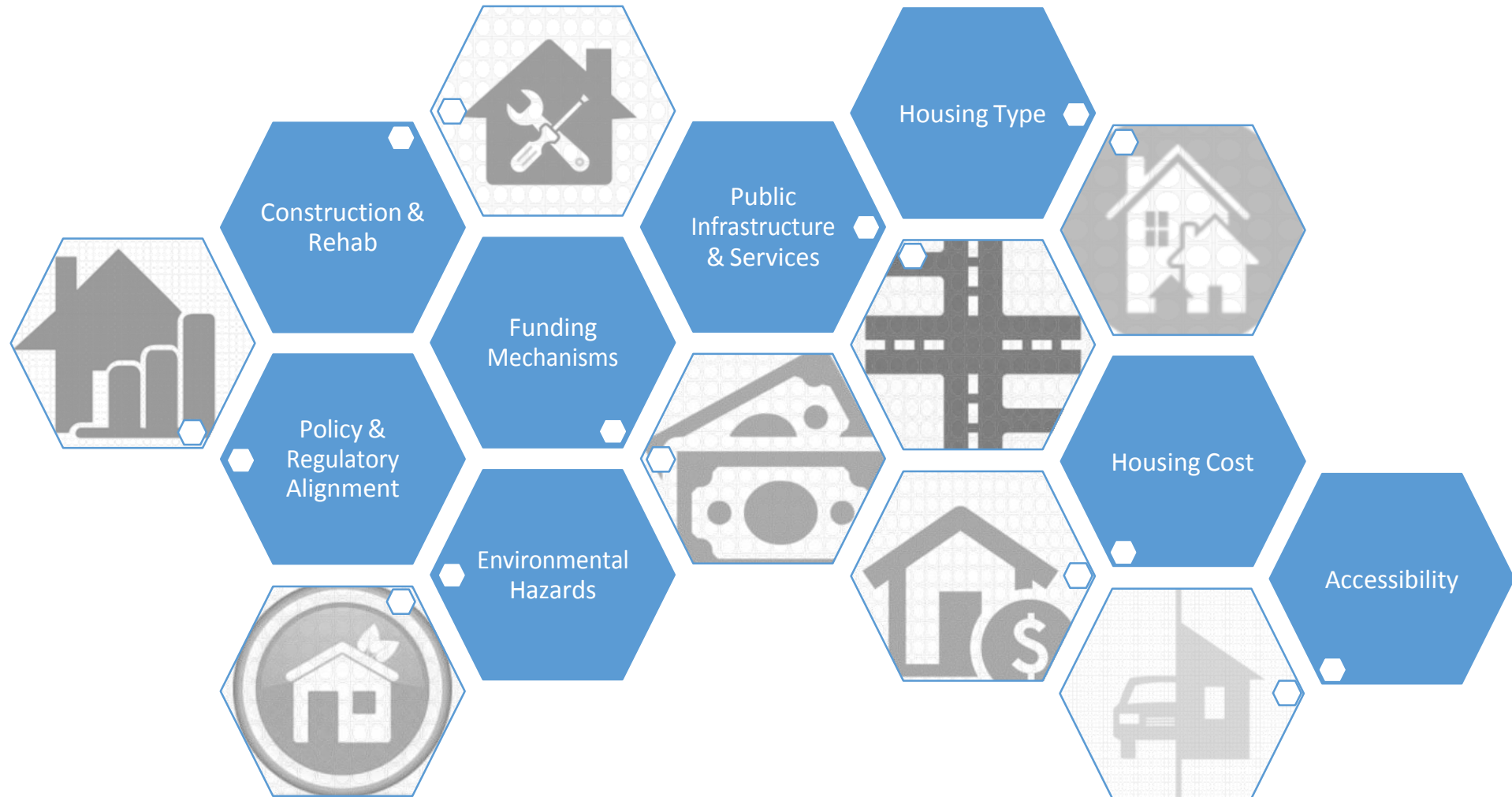
# Why is a Housing Policy Needed Now?



To inform  
resource  
allocation

- Federal and state resources have diminished and reliance on public support is an outdated strategy
- Demand and expectations remain high and competition for resources is intense
- To guide discussion and decisions on resource allocation and target area prioritization

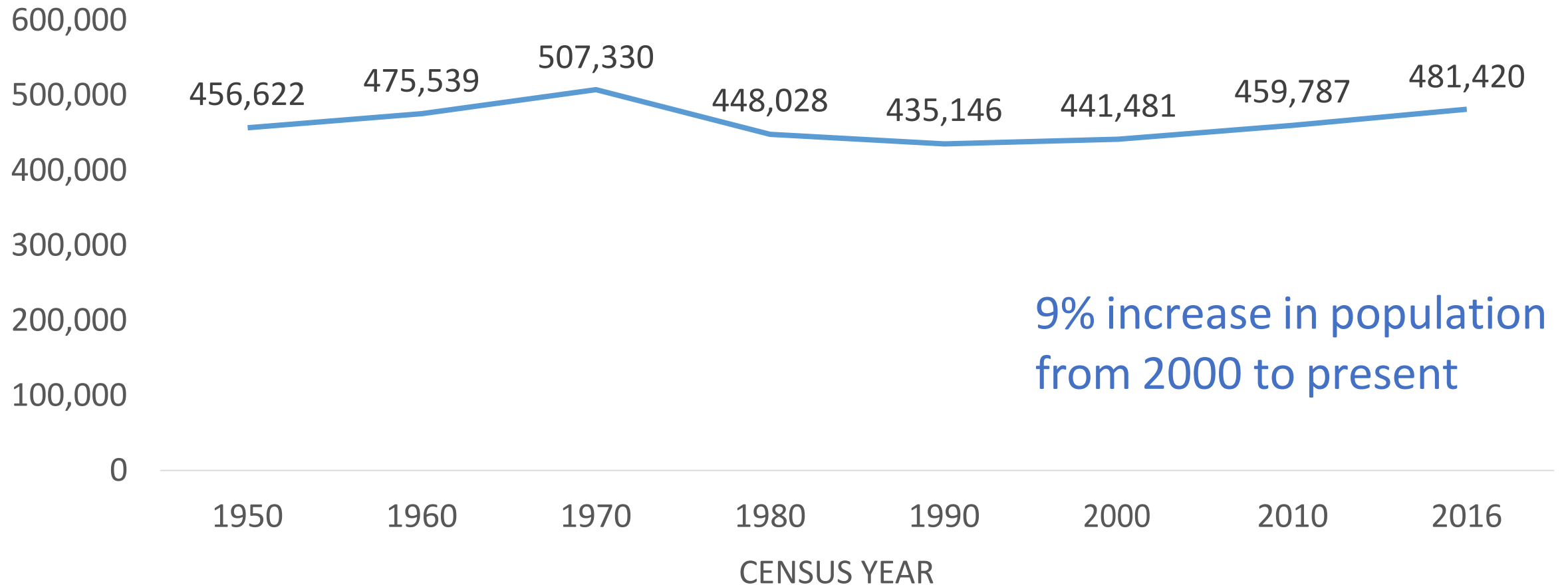
# Potential Policy Issues



# Demographics & Housing Supply



# Kansas City, MO Population Over Time

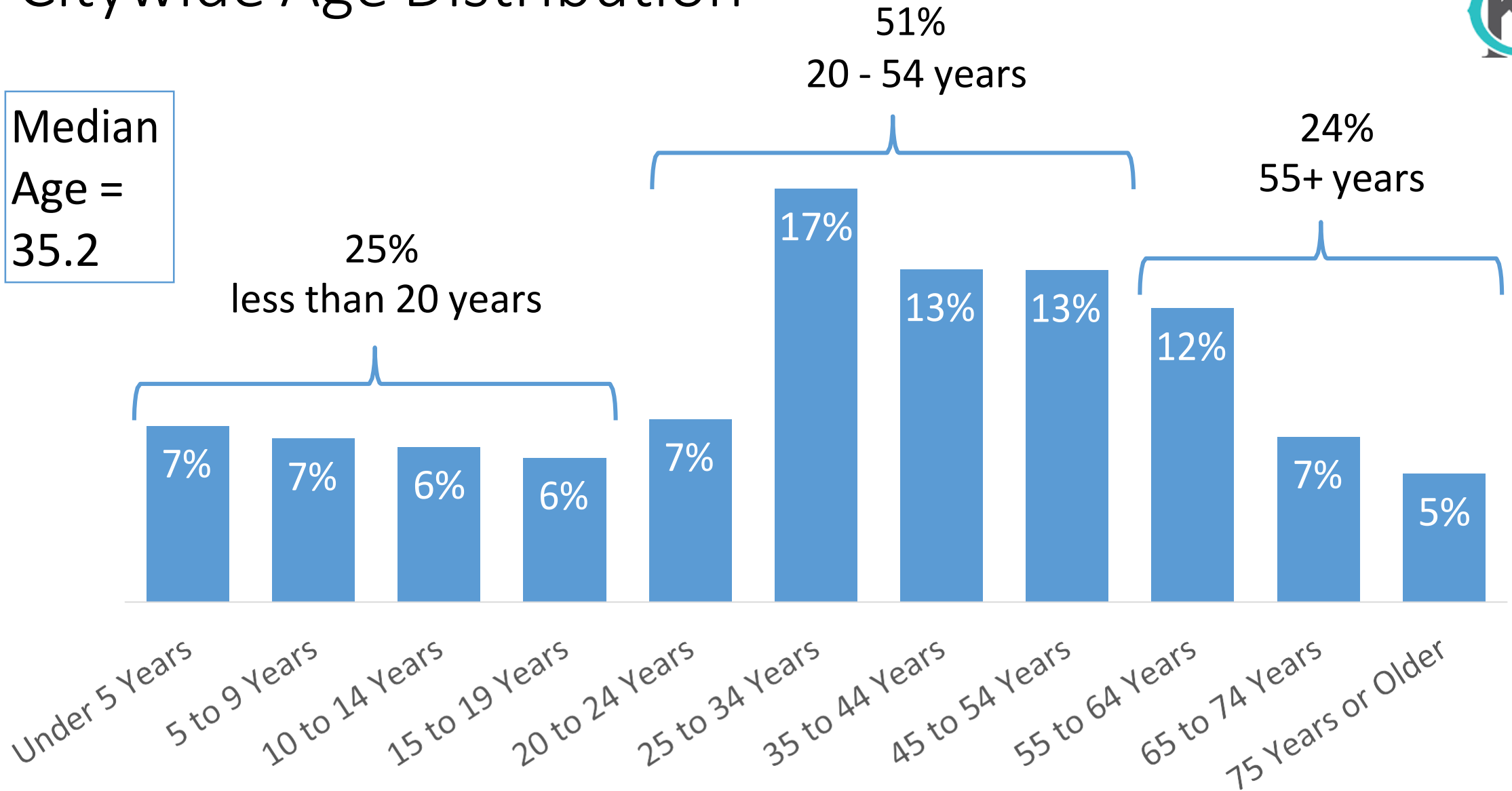


*Source: Decennial Census and ACS Estimates, US Census*

# Citywide Age Distribution

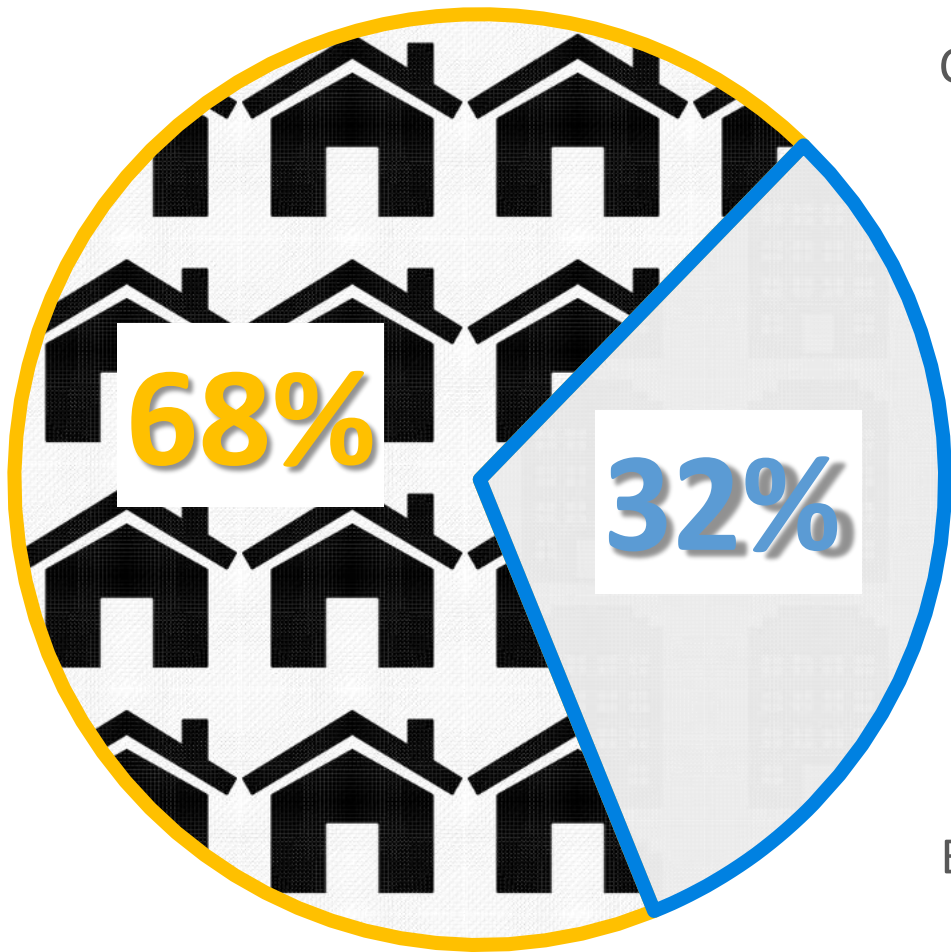


Median  
Age =  
35.2





# Structure Type



Single Family Multifamily

Country Club/Waldo

Heart of the City

Midtown/Plaza

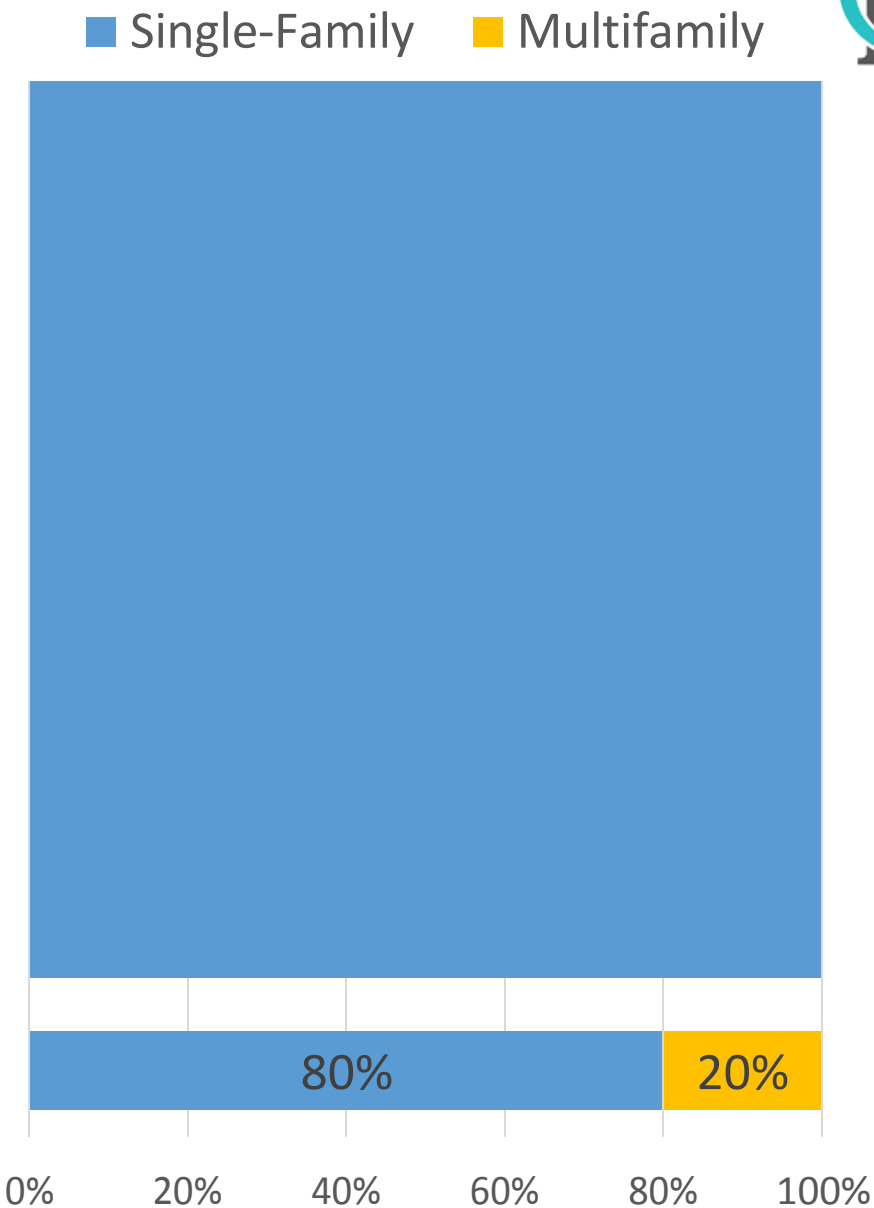
Truman Plaza

Greater Downtown

Riverfront Industrial

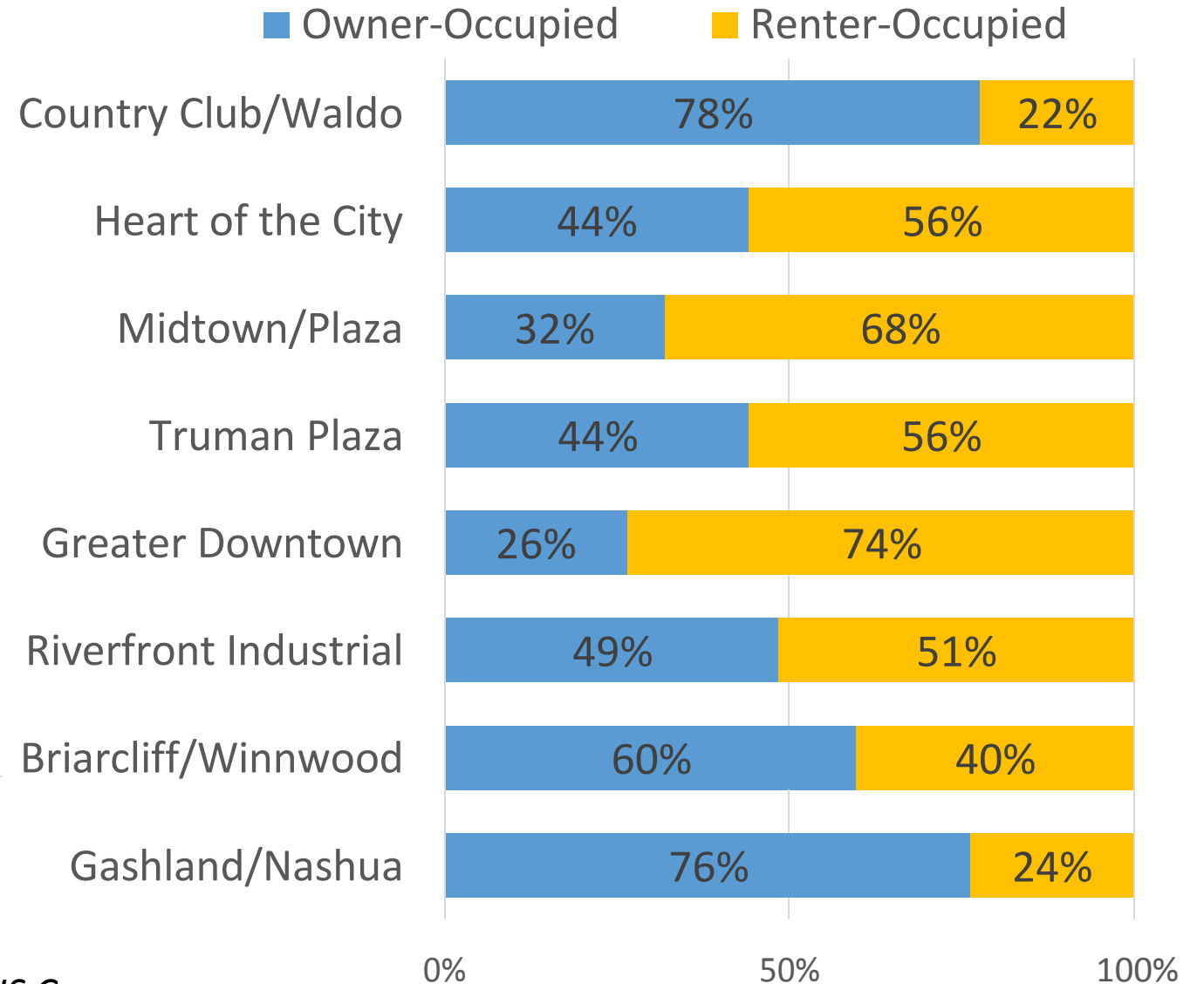
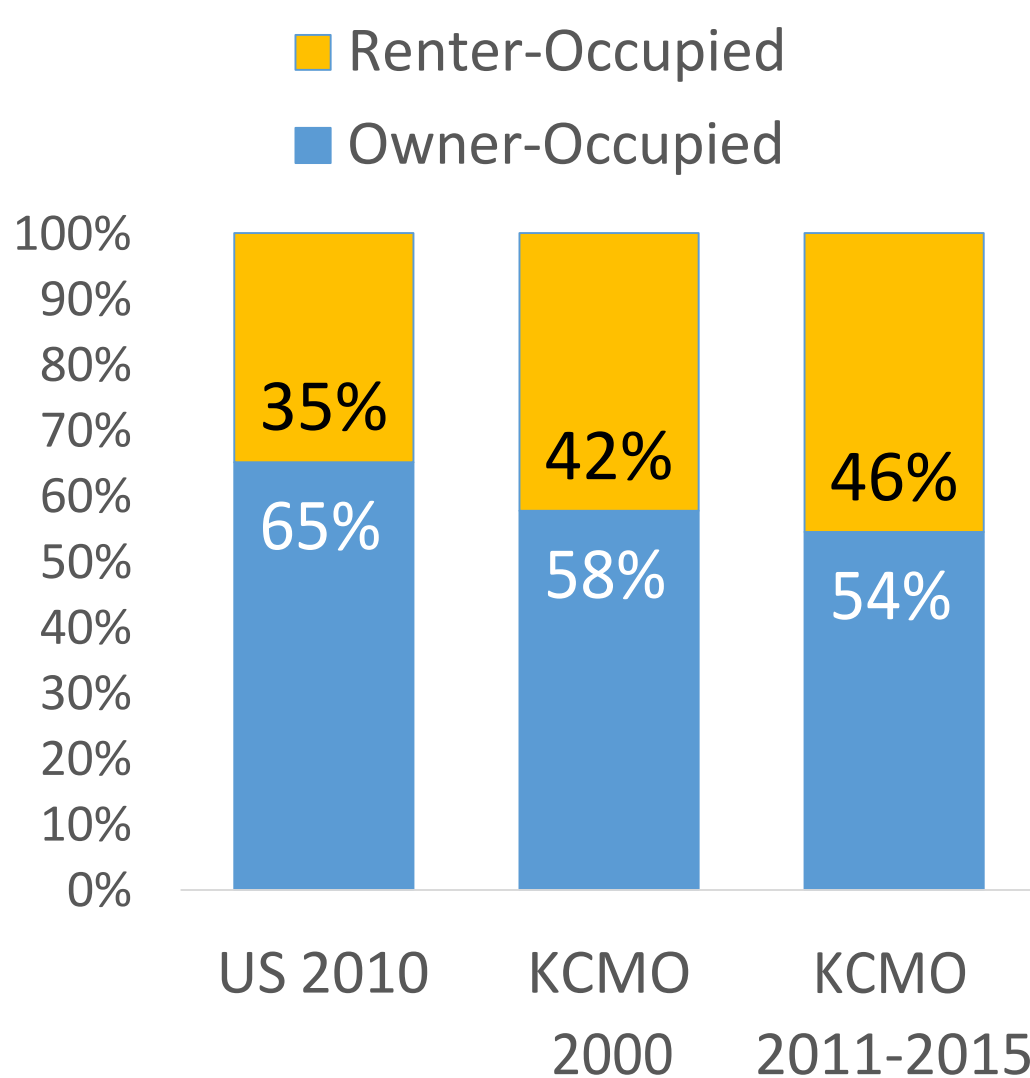
Briarcliff/Winnwood

Gashland/Nashua





# Rental vs Ownership



Source: Decennial Census and 2011-15 ACS Estimates, US Census

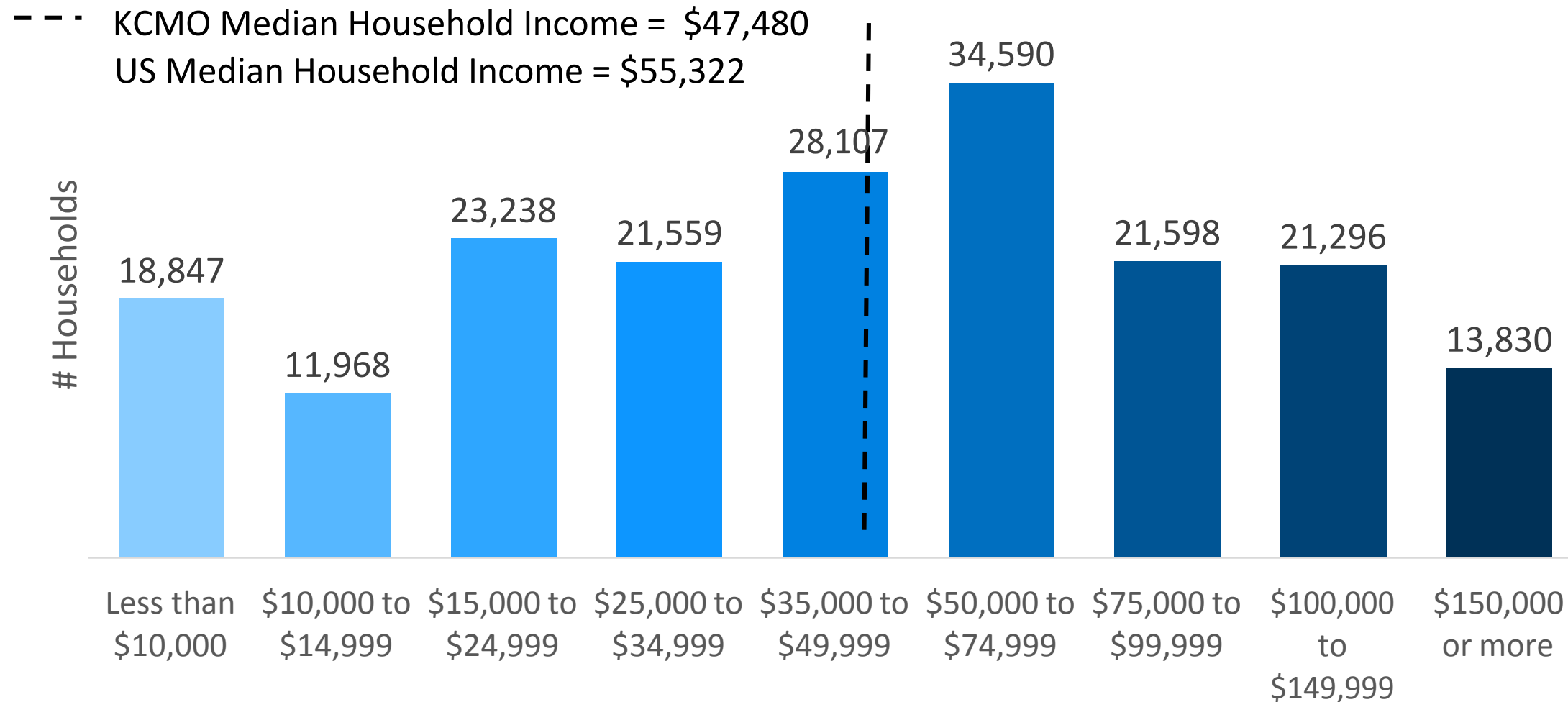


# Housing and Income

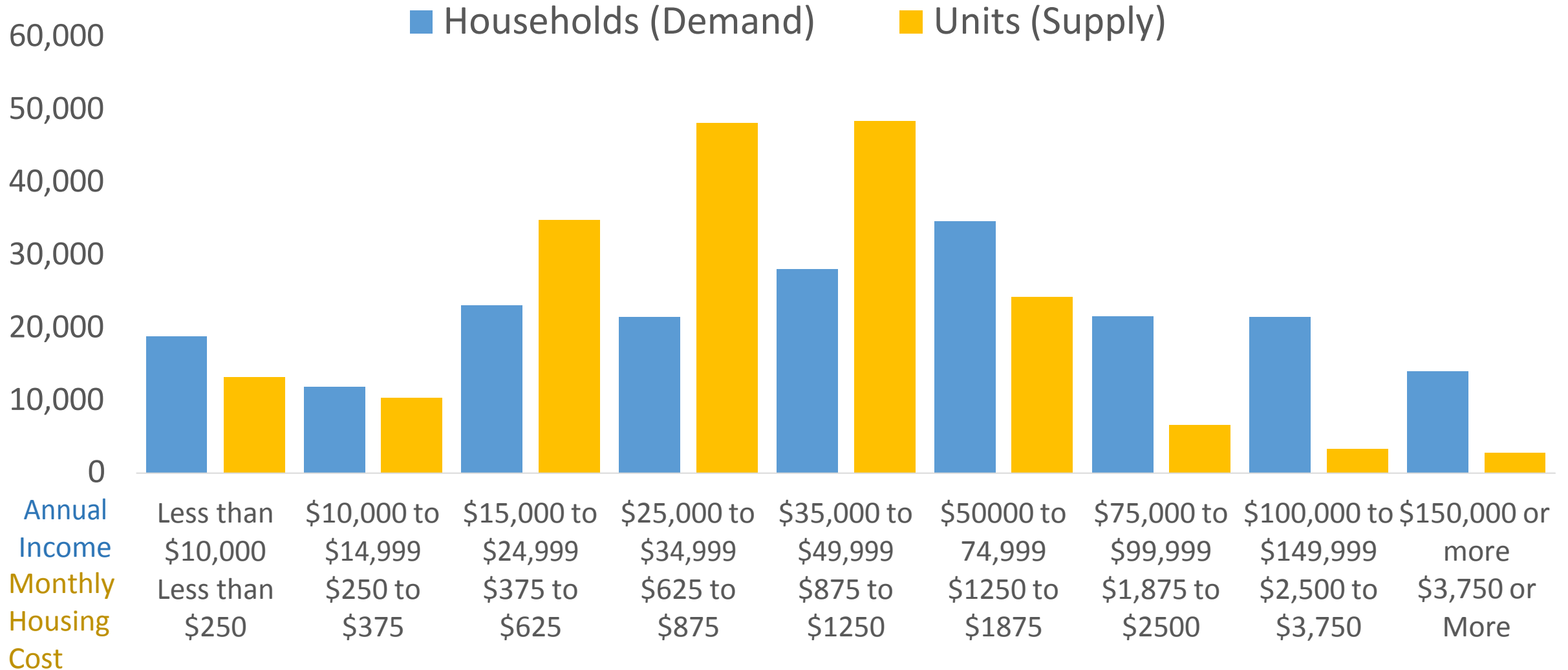
“Income is the primary factor—not price and availability, that determines housing affordability. In a market economy the distribution of income is the key determinant of the quantity and quality of housing obtained. Therefore, understanding affordable housing challenges requires understanding trends and disparities in income and wealth. Housing is often the single biggest expenditure of low and middle income families. For low and middle income families, their house is also the greatest source of wealth.”

- Chris Tilly, University of Massachusetts, 2011 “The Economic Environment of Housing: Income and Inequality”

# KCMO Household Income Distribution



# Demand v. Supply Based on Income Groupings and Cost of Housing



Source: 2011-15 ACS Estimates, US Census

# Comparison of Availability of Affordable Housing at Different Price Points and Income Levels



| Income Band            | Affordable Housing Cost/<br>Month | Surplus (Deficit) #<br>Units |
|------------------------|-----------------------------------|------------------------------|
| Less than \$10,000     | \$250                             | -5,623                       |
| \$10,001 to \$14,999   | \$375                             | -1,503                       |
| \$15,000 to \$24,999   | \$625                             | 11,707                       |
| \$25,000 to \$34,999   | \$875                             | 26,654                       |
| \$35,000 to \$49,999   | \$1,250                           | 20,278                       |
| \$50,000 to \$74,999   | \$1,875                           | -10,367                      |
| \$75,000 to \$99,999   | \$2,500                           | -14,921                      |
| \$100,000 to \$149,999 | \$3,750                           | -18,146                      |
| \$150,000 or more      | > \$3,750                         | -11,221                      |

# Cost Burden in KCMO



- 27.6% of home owners with a mortgage in KCMO spend > 30% of their household income on their mortgage



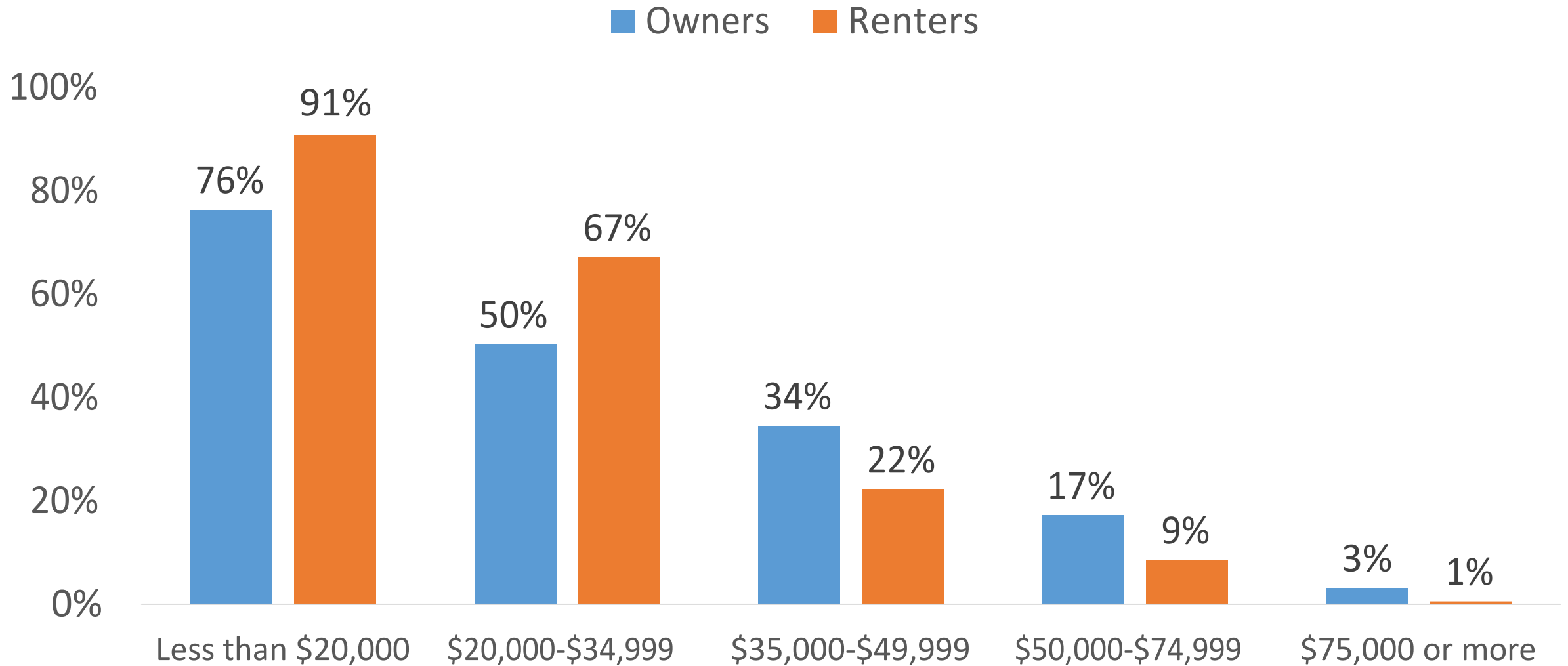
- 49.4% of renters in KCMO spend > 30% of their Household income on rent
- These figures do not include utility costs.



Almost 20 million households in the US are **extremely** cost burdened, meaning they spend at least half of their income on their rent or mortgage.

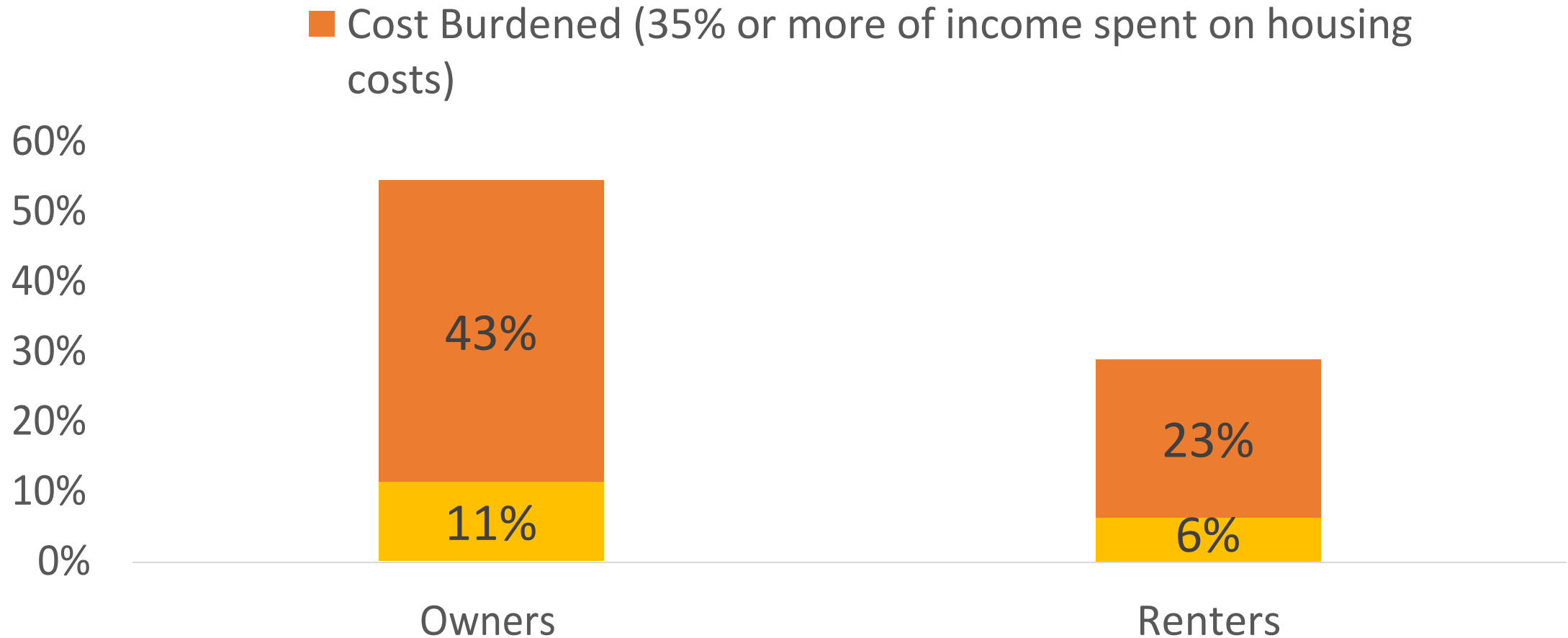


# Percentage of Households that are Cost-Burdened (>30% of income on housing) by Income Groups



Source: 2011-15 ACS Estimates, US Census

# Percent of Senior Households That Are Cost-Burdened



# Energy Cost Burden in KCMO



Among 48 metropolitan areas, KCMO is ranked **7<sup>th</sup> highest** for energy spending as a proportion of household income (“energy burden”), with **4.5%** of income being spent on energy costs



For renter households, KCMO ranks **6<sup>th</sup> highest**, with an energy burden of **6.1%** of income



For low-income households, KCMO ranks **9<sup>th</sup> highest**, with an energy burden of **8.5%** of income



# Impact of Energy Cost Burden

| Scenario                                    | Household Income | Monthly housing budget (30%) | Energy Burden | Energy Cost | Available for rent (%) | Available for rent (\$) |
|---|------------------|------------------------------|---------------|-------------|------------------------|-------------------------|
| Median income renter household              | \$47,480         | \$1,187                      | 6.1%          | \$241       | 23.9%                  | \$946                   |
| Low-income household (80% of median income) | \$37,984         | \$950                        | 8.5%          | \$269       | 21.5%                  | \$681                   |



# QUESTIONS?

1. What is the most critical housing issue that the Housing Policy should address?
2. What should be done to help residents remain in their homes?
3. What should be done to attract new residents back into our neighborhoods?
4. What can the City do to ensure that all residents are living in a safe and healthy home?

# QUESTIONS?

John A. Wood  
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